

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 02-0414P

Gross Income Tax

For Fiscal Year Ended March 31, 2001

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer protests the proposed penalty assessment for the late payment of its income tax. The due date of the return was July 15, 2001. Taxpayer filed its return late on January 15, 2002 with payment of one hundred percent (100%) of its tax liability. The Department issued its late payment assessment on May 15, 2002.

Taxpayer filed penalty protest letters dated May 25, 2002 and August 20, 2002. Taxpayer requests penalty abatement because it was taxpayer's initial return and the filing requirements were not known as of July 15, 2001. The corporation was qualified to do business in Indiana on February 28, 2001. Taxpayer prepared the Indiana return and submitted one hundred of the tax due on January 15, 2002.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer protests the penalty assessed and states that it was not aware of the filing requirements until after the due date. In addition, the return was the initial return filed. It was not apparent that significant tax liabilities would be due for Indiana until it filed its return.

Taxpayer did not make payment by the original due date of the return as required under IC 6-8.1-10-2.1 (a)(2). The penalty is ten percent (10%) of the amount of the tax not paid, if the person

fails to pay the full amount of tax shown on the person's return on or before the due date for the return or payment.

Taxpayer made payment after the due date of the return and has not provided reasonable cause to allow the Department to waive the penalty.

FINDING

Taxpayer's protest is denied.